



**U.S. Department of Justice
U.S. Attorney's Office
Western District of Texas**

Johnny Sutton, U.S. Attorney

FOR IMMEDIATE RELEASE

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**FORMER NURSING HOME OPERATOR SENTENCED ON
HEALTH CARE FRAUD AND MONEY LAUNDERING CHARGES**

United States Attorney Johnny Sutton announced that in Austin Rocky L. Lemon, age 44, currently of Stillwater, Oklahoma, was sentenced today to 42 months imprisonment as a result of his convictions for Health Care Fraud and Money Laundering. In addition to the prison term, United States District Judge Lee Yeakel ordered Lemon to serve three years of supervised release after completing his imprisonment and pay over \$4,000,000 in restitution to Medicare and Medicaid.

On November 15, 2006, Lemon entered guilty pleas to both offenses. From about 1997 through April 2001, Lemon owned and/or operated over 50 nursing homes in Texas and several other states through TLC Healthcare, Inc. Lemon admitted that from at least 1998 until April 2001, he executed a scheme to defraud the Medicare Program and the Texas Medicaid Program by unlawfully diverting Medicare and Medicaid monies to his own personal use and benefit. As part of his scheme, among other things, Lemon unlawfully used Medicare and Medicaid monies to finance his purchase of nursing homes. Shortly thereafter, he sold some of the nursing homes for profit and funneled a substantial portion of the net proceeds into his personal bank and brokerage accounts. He also used Medicare and Medicaid funds to engage in other transactions unrelated to fulfilling his obligations to Medicare and Medicaid beneficiaries. In 2001, Lemon abandoned all of his Texas nursing care facilities, forcing Texas authorities to assume control and management of a number of Lemon's nursing homes. The estimated combined loss to Medicare and Medicaid as a result of Lemon's criminal scheme was approximately \$4.2 million.

"Instead of using taxpayer money to help the elderly Rocky Lemon used it to line his own pockets," United States Attorney Sutton said. Mr. Sutton commended all the law enforcement officials involved in this case for their relentless pursuit of the truth and holding Mr. Lemon accountable for his misdeeds.

This case was investigated by the Federal Bureau of Investigation, the Internal Revenue Service - Criminal Investigation Division, and the Medicaid Fraud Control Unit of the Texas Attorney General's Office. Assistant United States Attorney Matthew Devlin prosecuted this case on behalf of the government.

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